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[S. 1362, A bill to amend title XI of the Social Security Act to clarify waiver authority regarding programs of all-inclusive care for the elderly \(PACE programs\)](#)

FLOOR SITUATION

On Wednesday, October 21, 2015, the House will consider [S. 1362](#), a bill to amend title XI of the Social Security Act to clarify waiver authority regarding programs of all-inclusive care for the elderly (PACE programs), under suspension of the rules. S. 1362 was introduced on May 18, 2015 by Sen. Thomas Carper (D-DE) and passed the Senate by unanimous consent on August 5, 2015.

SUMMARY

S. 1362 amends the Social Security Act to allow the Center for Medicare & Medicaid Services (CMS) to test and improve certain aspects of the Program of All-Inclusive Care for the Elderly (PACE) in an effort to give the programs the flexibility to most efficiently and effectively utilize funding in ways otherwise not possible due to the current program rules.

Section 1934 of the Social Security Act authorizes the PACE program and establishes features of the program including payment rates and conditions of participation. Under current law, the Center for Medicare and Medicaid Innovation (CMMI) lacks authority to waive some features included in section 1934, and has limited flexibility to test changes in administering the PACE program. S. 1362 would give CMMI authority to change features of PACE for the purposes of testing the effectiveness of different methods of administering the program.

BACKGROUND

The Program of All-Inclusive Care for the Elderly (PACE) is an integrated care program that provides comprehensive long-term services and supports to individuals aged 55 and older who require an institutional level of care, many of whom are eligible for both Medicare and Medicaid and are known as dual-eligible beneficiaries.¹

¹ See [Senate Report 114-108](#) at 1.

Setting up a PACE program is optional for states under Medicaid. In 2014, 31 states had PACE programs. PACE providers receive capitated payments from both Medicaid and Medicare to cover an enrollee's benefits. In many cases, the PACE program enables enrollees to receive services through an adult day health center rather than through an institution such as a nursing facility. S.1362 expands CMMI's authority to test new and innovative ways of administering the PACE program.²

COST

The Congressional Budget Office (CBO) [estimates](#) enacting S. 1362 would result in no significant change in direct spending.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

² Id. at 2.